



**Professional Planning  
Group**

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## Market Week: February 16, 2010

Markets continue to make gains. It's critical that you continue to keep your eye on the long term. Don't allow daily fluctuations keep you away from participating.

Call with questions or concerns.

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### The Markets

Digging out: After closing below the 10,000 mark Monday for the first time since November, by the end of the week the Dow had bobbed up, down and all around. Despite heightened volatility--the Dow saw triple-digit intraday swings almost daily--domestic equities managed to squeak out a gain for the first of the last five weeks, with small caps leading the way.

Market/Index	2009 Close	Prior Week	As of 2/12	Week Change	YTD Change
DJIA	10428.05	10012.23	10099.14	.87%	-3.15%
NASDAQ	2269.15	2141.12	2183.53	1.98%	-3.77%
S&P 500	1115.10	1066.19	1075.51	.87%	-3.55%
Russell 2000	625.39	592.98	610.72	2.99%	-2.35%
Global Dow	1984.48	1835.66	1857.02	1.16%	-6.42%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	3.85%	3.59%	3.69%	10 bps	-16 bps

### Last Week's Headlines

- January retail sales were up 0.5% from the month before, and December's 0.3% decline was revised upward to 0.1%. Flat auto sales held back the January numbers a bit; not including autos, retail sales were up 0.6%.
- December inventories were down 0.2% from November, and down 9.7% from a year earlier. However, manufacturers' shipments and sales at the wholesale level were up 0.9% from November and 4.7% from last December.
- Federal Reserve Chairman Ben Bernanke gave a preview of steps the Fed is likely to take when it begins tightening the money supply. His statement suggested that the Fed may postpone raising its target interest rate, which in turn affects consumer interest rates, until it has employed other means of draining liquidity from the banking system. Those alternatives include raising the discount rate the Fed charges banks for emergency loans, raising the interest rate on excess bank reserves, arranging for reverse repurchase agreements of Fed-held securities, and offering banks term deposits similar to certificates of deposit. However, Bernanke said, until the economy is stronger, it will continue to need "highly accommodative monetary policies."
- European Union leaders agreed to take action to prevent Greece's budget and credit problems from affecting the euro's stability. However, details about the size and nature of that aid were sketchy.

### Eye on the Week Ahead

Inflation data at the end of the week is likely to dominate the economic news. Any additional information about European Union assistance for Greece will be scrutinized for what it might mean for other debt-plagued Eurozone countries.

Key data releases: Treasury international capital flows, housing starts (2/16); wholesale inflation (2/18); consumer inflation, options expiration (2/19).

*Data source: Includes data provided by Brounes & Associates. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results.*

*The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. Market indexes listed are unmanaged and are not available for direct investment.*



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